

**STATE OF MICHIGAN**

**DEPARTMENT OF CONSUMER & INDUSTRY SERVICES**

**BEFORE THE STATE BOUNDARY COMMISSION**

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**In the matter of:**

**Boundary Commission  
Docket #97-C-1**

**The proposed consolidation of  
the Village of Mineral Hills, located in  
Iron River Township, and the Cities of  
Caspian, Iron River and Stambaugh as a  
Home Rule City.**

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**SUMMARY OF PROCEEDINGS, FINDINGS OF FACT AND ORDER**

This matter of proposed consolidation of all of the City of Caspian, all of the City of Iron River, all of the City of Stambaugh and all of the Village of Mineral Hills, which is in Iron River Township, Iron County, into a Home Rule City described as follows:

The Southeast 1/4 of the Southeast 1/4, Section 15, T43N-R35W and the South 1/2 of the South 1/2, the Northeast 1/4 of the Southwest 1/4, the Northwest 1/4 of the Southeast 1/4, Section 14, T43N-R35W and the East 1/2 of the East 1/2 of Section 22, T43N-R35W and the East 1/2 of the East 1/2 of Section 27, T43N-R35W and the East 1/2 of Section 35, T43N-R35W and the entire Sections 23, 24, 25, 26, and 36, T43N-R35W and the entire Section 1, T42N-R35W and the East 1/2 of the East 1/2, the Northwest 1/4 of the Northeast 1/4 of Section 2, T42N-R35W and the West 1/2 of the West 1/2 of Section 6, T42N-R34W, Iron County, Michigan.

**SUMMARY OF PROCEEDINGS**

- A. On April 2, 1997, a petition was filed requesting consolidation of the Cities of Caspian, Iron River, and Stambaugh and the Village of Mineral Hills.
- B. On July 24, 1997, an adjudicative meeting was held to determine legal sufficiency and

the petition was found to be legally sufficient pursuant to Public Act 191 of 1968, as amended, and Public act 279 of 1909, as amended.

- C. On October 1, 1997, a public hearing was held to receive testimony given pursuant to Public Act 191 of 1968, as amended. Notice of said hearing was published and mailed pursuant to Section 8 of Public Act 191 of 1968 as amended.
- D. On February 12, 1998, an adjudicative meeting was held to consider the docket and render a decision. State Boundary Commissioners VerBurg, Rutledge, and Walker voted to approve the consolidation of the petitioned territory and instructed staff to prepare draft Findings of Fact.
- E. On March 5, 1998, State Boundary Commissioners VerBurg, Rutledge, and Walker voted to approve the Findings of Fact and recommend that the Director of the Department of Consumer and Industry Services sign the Order.

#### **INFORMATION FROM THE RECORD**

1. Michigan State University Extension researched the feasibility of consolidating the four municipalities and the City of Gaastra. Based on feedback from this 1994-95 research, which included substantial public input, this consolidation petition was filed. The City of Gaastra was not included because of a lack of support by its residents.
2. The consolidation of the four units and the City of Gaastra was first studied in 1971 under a grant from HUD. The State Boundary Commission approved the consolidation. The election was held in 1971, and consolidation was not approved. The vote passed only in Iron River.
3. The Leach Research Group conducted a random phone poll of residents in the four municipalities and in Gaastra. 46.6 percent supported consolidation, 9.3 percent were not in support.
4. The reasons why the communities are considering consolidation are: the declining population, the slow growth rates, the property tax base, the high millage rates relative to the State mean, minimal economic development, the high cost of municipal services, and the aging infrastructure.
5. Due to the low population density there are very high fixed costs, especially for the underground infrastructure and the utilities.
6. The units lack consistency in developing comprehensive plans and capital improvement programs. None of the units has a professional planner. With

consolidation these problems could be addressed and improve their capability to attract economic development.

7. There are three Departments of Public Works, three City Managers, three City Clerks, and three City Treasurers. Savings in administrative overhead is estimated at 3 mills. It is anticipated that in the long run a millage reduction will occur.

8. The Iron River Township Board's position is that as long as the constituents vote for the proposed consolidation the Township Board does not object.

9. The combined population of the four municipalities decreased 51% from 1930-1990.

The 1990 combined population:	4,645	
The 1990 population:	Iron River	2,095 45 % of total
	Stambaugh	1,319 28 % of total
	Caspian	1,031 22 % of total
	Mineral Hills	200 4 % of total
	Iron River Township	1,409

10. The land area of each municipality is:
- |                    |             |
|--------------------|-------------|
| Caspian            | 720 acres   |
| City of Iron River | 2,280 acres |
| Stambaugh          | 1,040 acres |
| Mineral Hills      | 920 acres   |
| Total              | 4,960 acres |

11. The combined population density is .9 persons per acre.

12. For 1997 the combined state equalized value was \$43,679,150.  
The combined general fund revenue for 1997 was \$2.42 million.  
1990-1997 tax base growth for the four units was one-half of the rate of the growth for the County, and also below the State average.

13. The combined property taxes for the four units would have the following distribution:  
Industrial tax base: 4%,  
Commercial tax base 26 %,  
Personal property tax base 15 %, and  
Residential property tax base 54 %.

14. The 1997 millage rates were:
- |               |                |
|---------------|----------------|
| Caspian       | 21.0 mills,    |
| Iron River    | 21.8282 mills, |
| Stambaugh     | 20.0 mills,    |
| Mineral Hills | 19.4667 mills. |

15. The millage rates are in the top 10 percent state-wide. Service fees are above the

state average as a percent of the total budget.

### **THE COMMISSION FINDS THAT**

1. The municipalities have successfully combined their provision of some municipal services through joint agreements.
2. The residents of the municipalities could receive a broader range of municipal services at a lower cost if the municipalities are consolidated
3. The consolidation of the Village with the Cities and will not cause an undue hardship to the Township.
4. The Township does not oppose going forward with the process of consolidation if the residents of the Village demonstrate their support in a referendum election.
5. The municipal governments favor the continuation of the consolidation process.
6. The petitioners have presented reasonable rationales for requesting consolidation.
7. The record of this docket is persuasive in favor of having the process of consolidation go forward.

### **IN CONCLUSION, THE COMMISSION FINDS THAT**

1. The Commission has considered the record of this docket in accordance with the criteria stipulated under Section 9 of Public Act 191 of 1968, as amended.
2. On February 12, 1998, State Boundary Commissioners VerBurg, Rutledge and Walker held an adjudicative meeting during which:
  - Commissioners VerBurg, Rutledge, and Walker voted to recommend consolidation of the subject territory as petitioned and described herein, and
  - the staff was directed to prepare draft Findings of Fact and Order.
3. On March 5, 1998, Commissioners VerBurg, Rutledge, and Walker held an adjudicative meeting during which
  - the draft Findings of Fact and Order was reviewed, and
  - the Commission voted to adopt the Findings of Fact and to recommend that the Director of the Department of Consumer and Industry Services sign the Order.

# **ORDER**

## **DOCKET #97-C-1**

**IT IS ORDERED THAT**, these Findings of Fact and Order approving the consolidation of the Cities of Caspian, Iron River, and Stambaugh, and the Village of Mineral Hills shall be final 45 days after the date the Director of the Department of Consumer and Industry Services signs the Order unless prior to 5:00 p.m. on the forty-fifth day a valid petition for a referendum is filed with the State Boundary Commission.

**IT IS FURTHER ORDERED THAT**, if a valid petition is filed during the 45-day period, the Order for a referendum on the question of consolidation shall include a new effective date for these Findings of Fact and Order which shall be at least 10 days later than the date of the referendum.

**IT IS FURTHER ORDERED THAT**, if City Charter Commissioners are to be elected, then four City Charter Commissioners shall be elected from the City of Iron River, two City Charter Commissioners shall be elected from the City of Caspian, two City Charter Commissioners shall be elected from the City of Stambaugh and one City Charter Commissioner shall be elected from the Village of Mineral Hills. If the governing bodies of the Cities of Caspian, Iron River, and Stambaugh and the Village of Mineral Hills choose, by resolution, to appoint rather than elect City Charter Commissioners, then two shall be appointed from each municipality. The foregoing shall be in accordance with Section 13(1), 13(2) and 14 of Public Act 191 of 1968, as amended.

**IT IS FURTHER ORDERED THAT**, if a referendum is held with the majority of the voters voting no on the question of consolidation in any one of the municipalities, then the Order approving the consolidation, the Order that City Charter Commissioners be elected or appointed, and any City Charter Commissioner elections or appointments are null and void.

**IT IS FURTHER ORDERED THAT**, the Executive Director shall forthwith transmit a certified copy of the Findings of Fact and Order to the petitioner and to the clerks of Iron River Township, the Village of Mineral Hills, the City of Caspian, the City of Iron River, the City of Stambaugh, and the Iron County Clerk.

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Kathleen M. Wilbur, Director  
Department of Consumer and Industry Services

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Date

## ORDER

### DOCKET #97-C-1

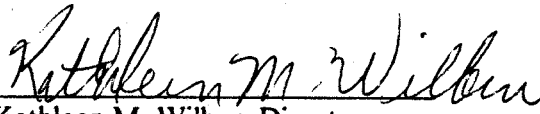
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Kathleen M. Wilbur, Director  
Department of Consumer and Industry Services

Date

